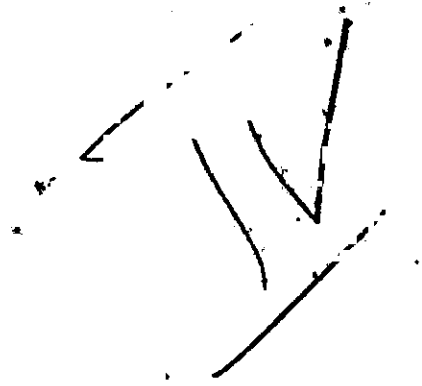
1947 File No. 8504/36

W. DEPARTMENT

B CLASS E.I BRANCH (1)

Subject:— Electric Civil Works.

Tenders for to be executed by the T. W. I.



B K 11741

File No. 8504/36 E.I.(1)

Std. Sectt. Slip. 94 A

G.R., G.D., No. 2408, dated 22-6-22.]

Correspondence

DOCKET SHEET

Subject :—

File No. 8504/36

< 1 : kV. DEPT.

Rel. (1) BRANCH.

References :—

Date.	To whom sent.	Notes and instructions.

No.Elg.317/1811

Letter.

Electric Grid Offices,
Foreshore Road.
Bombay 1. 27th February,47.

To

The Secretary to Government,
Public Works Department,
Bombay.

Subject:-Calling for tenders for works to be executed by P.W.D.

It has been experienced that there has been a prolonged delay in drawing up specifications owing to persistent lack of staff and it is considered inadvisable to superimpose further delay involved in inviting public tenders in the usual way.

2. So as to reduce delays as much as possible, it is suggested that as soon as Electric Grid Department's specifications become ready, copies thereof should be sent free of cost to selected firms who are likely to make suitable offers. At the same time, public notification should be issued that specification copies can be obtained by the interested parties on payment of fees which would be returned on receipt of a bonafide tender. This will save irresponsible applications for specification copies and at the same time safeguard the principles of public tenders. This involves some monetary loss due to free supply of specification copies but will save some time in the execution of works. If this procedure is approved, I shall give effect to it only in such cases where it is considered necessary.

3. I shall be obliged for Government orders in the matter.

Sd/-

Special Officer
(Electric Grid).

8504/36
9607

EL.Br.(I) P.W.D.

Submitted for orders.

2. Paras 196-197 and para 198 to 207 of the P.W.D.Manual, vol I, deal with contrust doccuments' and 'Tenders' respectively Para 200 is relevant to this case. If inter alia provides that tenderers should have free access to the contract document which include specification. If does not provide for a supply of the contract documents to the tenderers either free or on payment. The S.O. has suggested the procedure overleaf to reduce the delays and to avoid irresponsible applications for specification. He will give effect to it on y in such cases where it is considered necessary .

Id/-
6/3/47.

W.B.

According to the procedure laid down, when a work has to be given out for execution on contract, tenders have to be invited by public advertisement in the local papers. Some times when the time is short select reliable contractors are asked to tender for the work with the previous approval of competent authority. Tender forms and specifications are supplied to those, who ask for them, on payment of a price to be fixed by the Ex.Engr. concerned taking into consideration, the cost of the project, and also the cost of printing and stationary involved. In the case of a big project where the contractor will be required to study the condition of the locality, the availability of the materials reqd. and also the specifications in detail sufficient time is given to him for submitting the tender. If the specifications are too elaborate to be copied by ordy staff, the S.Es. have powers to engage spl. staff to do the work provided the extra cost can be met from the sale proceeds of the tender and specifications forms. In other words, the prices of these forms will have to be fixed in such a way as to cover the cost of copying them.

these-----

There has been no complaints uptill now from any of the officers of this Deptt. in the matter of following the procedure mentioned above . This procedure was recently explained to the S.O.,El.Grid u.o. and the present communication has ref. to that. It is for order whether the S.O.proposal may be approved.

Id/-
13-3-47.

The idea seems to be that by supplying copies of specifications to prospective tenderers in advance the period between the date of inviting the tenders and the date of receiving them can be reduced considering that the s.o.is working against time the proposal may be given a trial.

Id/-
19-3-47

I am sorry I am not inclined to agree to this proposal, which cannot, in my opinion, appreciably reduce the time required to obtain Tenders.

2. At the recent public Accounts committee, the Honourable Minister Finance Department was very emphatic on this point and instructed this Department to issue orders that the regular practice of publicly calling for Tenders should be rigidly adhered to, and that only with the clear orders of Government on each specific case, should the practice be waived and tenders be invited only from selected Firms or contractors, Whilist this practice now suggested by the Special officer (Grid) doesnot perhaps amount to a direct negation of this principle, it is very near to it.

3. In any case ther is prolonged delay in all deliveries of Electircal plant and I do not see that the very short delay of perhaps a week or ten days that following the normal practice would occasion can make any serious difference.

Id/-
19/10/47.

Since Secy.P.W.D.does not suggest to proposal, I have no remark to D.C.

Id/.
23/3.

H.M.P.W.D.

The S.O.proposes, I suppose for this dept. a scheme which he thinks will save time.

He proposes that as soon as p&e are ready he should simultaneously.

1. Advertise for tenders, asking for a certain sum of money for a tender forms such money to be returned on receipt of the tender and

2. Supply free of charge tender forms to well-known, Contractors who are executing such works.

This does not seem to be a gross departure from the usual routine, the loss would be the sum usually received for the sale of tender forms-perhaps Rs. 100-150- for tenders running into lakhs. Anybody who wishes to tender can get the forms on the very day the advertisement appears i.e.about the same time as the others to whom the forms are sent.

I do not see why he should not be allowed to vary the routine to this extent if it does save time, as we are considerably behind the target dates.

The method may be tried out.

Id/-
23/3/47

Sec. F.D. Id/- Accdly.

Sec. P.W.D. Id/-
2/4/47

SE.Dr.

Resubmitted.

2. The draft put up may issue if appl.

thro W.B. Id/-

Id/-
2/4/47 Id/-

8504/36
9607.

Letter.

No.8054/EL. P.W.D.

D.O 3rd April 1947

To

The S.O.(El.Grid).

Sub:- Tenders for electric Grid works.

Reference : Your letter No.Elg.317/1811 dated the 27-2-47.

2. Government approves the proposal in para 2 of your let-
-er under reference.

By order of the Government Bombay.

Copy with a copy of the letter under reply to

the F.D.

the A.G.Bombay(thro the F.D.).

for information.

Id/- If/-

(original in file No.4/ 7161/36/18282

Extract para 4 of the Dy.Secy.'s note dated the 26th April 1947.

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4. From the El.Commr.'s D.O.Letter it will be seen that it is not customary to demand earnest money with tenders and as such Govt. has no hold on the tenderer.

Extract para 2 of Dy.Secy.(F.D.)'s note dated 2nd may 1947.

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2. F.D.must, I think, agree with the remarks in para 3 of Mr.Pandit's note. As stated in para 4 of his note since no earnest money was demanded we have no hold on the contractor. Under paras 200 (condition 3) and 203 of the P.W.D. Manual Vol.I earnest money should have been demanded . It is not known whether this condition has been waived by this Govt. in respect of the next two or three tenders pertaining to the grid in order to see whether there is a response from the contractor or not It is difficult for F.D.to accept the position mentioned at * 'X' of Mr.Advani's D.O. at p.21 ante without attempts having been made to enforce the condition. The Madras practice is not binding on this Govt.

Grid. If this has not waived I would suggest that El.Commr. may be instructed to ask for earnest money in respect of the

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Copy of Secy (F.D.)'s note dated 3rd May 1947. agreed to by the H.M.P.W.D.

The proposal may, in the circumstances, be accepted. D.S'spara 2 may thereafter be pursued by the P.W.D. with the Electrical Commr.

Extract para 2 of the O.M.(P.W.D.) dated the 6th May 1947.

2. The draft put up may issue, if appd. After issue of the proposed draft further action with ref. to para 2 of the Dy.Secy. F.D.'s note will be taken.

T.E.

Id/-
8/15/47.

Below Govt. P.W.D. U.O.R.No 8504/36, dt.12-5-1947.

Electric Grid Offices.

At the outset, I may point out that the requirements of the Grid are quite different from those of the P.W.D. in so far as machinery, plant and equipment are concerned, In any scheme of this Department the aggregate cost of thes is very appreciable. Whereas in respect of the P.W.D. works, the cost is almost wholly on local building material and labour. All the firms who supply plant and machinery are either U.K.or continental manufacturers on whom ther Grid has solely to depend for its requirements. The Madras Electircity Department has got considerable experience of the working of the Grid and the procedure adopted by it was quoted by way of illustration.

2. The object of taking earnest money deposit is that it should serve as a secutity against loss in case the contractor fails to furnish the required security after the acceptance of the tender and to complete the contract documents. Already the firms of the standing of the British Insulated Callender's Cables Ltd., have declined to furnish guarantee as laid down in clause 3 of the General conditions of of contract, approved by Government in Government "olution, Public Works Department, No.7708/36 dated 28th August 1946, after the acceptance of their tender. It must be remembered that there is today a sellers markets I belive if we insist on the provision in question, it will mean that our choice of firms may be further restricted as some may decline to quote on its basis. I also believe based on previous personal Knowledge) that the prices quoted will be adjusted to cover compliance with the provision. I am accordingly of the opinion that no useful purpose would be served by asking for earnest money in respect of tenders from big firms of machinery Manufacturers.

3. In the circumstances explained above, it is requested that the conditions of demanding earnest money depo-

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deposite may not be insisted on in respect of the Grid requirements of ~~mf~~ plant, machinery and equipment. It may be left to the discretion of the Electrical Commissioner to demand it in cases in which it is considered necessary.

Id/-
27/5/47

The. Secy. to Govt.,
P.W.D. Bombay.
U.O.R.No.Elg 317/5194
Bombay 28th May. 1947.
El.Br. P.W.D.

Submitted with reference to the o.n. dated the 8.5.47

2. In the circumstances explained by the El. Commr. it is for consideration whether it may be left to his discretion to demand earnest money in cases in which he considers necessary to do so. In that case F.D. may see the papers for concurrence.

Id/-
29-5-47

I am afraid Ia am not in a position to offer any comments. I had merely indicated the position prevailing & have no idea as to whether it would be practicable to insist on earnest money We ~~ma~~ may perhaps ~~asked~~ confidentially the representatives of the several ~~leading~~ leading manufactures of El. Machinery whether they would have any objection to deposit earnest Money with their tenders.

Id/-
1-6-47

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I am myself inclined to agree with the El. Comrs. but feel that the qubstion is a purely commercial one about which I have no real knowledge, it seems a matter for the financial experts to decide, either with or without consultation with the interests concerned.

Id/-
2-6-47.

V.Urgent.

U.O. to F.D.dated 2/6/47.

+ with a copy of General Conditions. of contract.

F.D.(P.W.R.)

Please see para 2 of D.O(P & R)note (Copy of p 11 ante) It is for orders whether in the circumstances stated by the El. Commissioner we should agree to the proposal in para 3 of his note dated 27-5-47 P rhaps the best course as suggested by D.O.(I & R)would be to instruct the El. Commissioner to ask for earnest money in respect of next two or three tenders in order to seem whether the e is any response from the contractor . If there is no response, then we will have to accept the ElComm'r's proposal.

Id/-

Under circumstances stated by El.Comm. F.D. may acquiese in the suggestion made by him in para 3 of his note dt. 27/5/47.

a copy u.o.r.to + F.W.L. in 29/5/47.

oral
conditions
of contractor

8504/36
36386

Letter.

No.8504/36 El.. P.W.D.
B.C.3rd Sept.1949.

To

The El.Commr.with the Govt.. Bombay.

Sub :- Tenders for Elective Grid works.

Reference your no Elg.317/5194, dated the 28/5/47.

2.. Govt.. acquiesces in your suggestion that in respect of tenders for plant machinery and equipment for the electric Grid Schemes you should have discretion to demand earnest money deposits as reqd. by the provisions of para 202 & 203 of the P.W.D.Manual, Vol I, in cases in which your consider it necessary..

By order of the Govt.. Bombay.

Copy with copy of the El Commr's reference under reply to
the F.D..
the A.G.Bombay (Thro the F.D.)

for information.

Id/-

Id/-
29-8-47

Id/-
30-8-47